What Does

Want Us to Do About

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Questions and Answers on Franco Spain

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AMERICANS FOR DEMOCRATIC ACTION

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BECAUSE of this nation's leadership of the democratic world in this mid-century period, the problem of our relations with Spain assumes an especial significance.

We share the faith and conviction that our world is not yet condemned to the fatal choice between fascism and communism. This is the clear and deeply felt faith and conviction of millions of men and women throughout the world without whose adherence to our democratic cause the defense of free institutions cannot be won.

It is therefore imperative that the issues involved in our relations with Spain be clearly understood by Americans. For those who believe that our policies must be based on careful analysis and concrete facts, we recommend this question-and-answer memorandum which has been prepared by Americans for Democratic Action.

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AMERICANS *are up against the Spanish question again. Who brought it up? Francisco Franco brought it up. He and his Government in Spain want help from the United States. To provide thinking Americans with the background necessary to judge the Franco Government's request for American assistance, here are the outstanding questions involved:*

What Does Franco Want From Americans? He wants the U. S. Government to send an ambassador to Spain, with or without United Nations approval. He wants the U. S. Government to sponsor his dictatorship as a member of the Atlantic Pact and of Western Union. Most of all, he wants American dollars, the dollars we pay in taxes, to keep his regime going in Spain.

Is Franco in Trouble? Yes, he is in serious trouble. His government is nearly broke. It has only about $85,000,000 in gold. Franco's government wants to borrow at least $400,000,000 from the U. S. and, to keep going, will need at least $1,450,000,000 over the next four years, according to the figures published by the Urquijo Bank, a Madrid bank which has supported Franco. Needless to say, Franco will be glad to get any American loan, however small, to convince people in Spain and elsewhere that the United States is supporting his government.

Does Friendship With Franco Fit Into Our Foreign Policy? No, it does not. The United States is spending billions in Western Europe to build up the

resistance of democratic countries to the spread of communism. American assistance to Franco Spain would, on the contrary, be of great assistance to Moscow propagandists who are trying to convince the rest of the world that Americans are supporting dictatorships like Franco Spain and care nothing about democracy in Europe or elsewhere.

Is Aid to Franco Likely to Become American Policy? It is very possible unless the issues are made clear and are understood. Secretary Acheson's latest statement on Spain, while condemning the lack of democratic freedom in Spain under Franco, is not clear on this point.

Is Franco Anti-Communist? Yes.

Then Why Not Accept Franco as Our Ally? The American Secretary of State, Dean Acheson, answered that question on May 11, 1949. He said that the Franco government in Spain denies four basic rights to the Spanish people—the right of individual liberty and the writ of habeas corpus, the right of trial by jury, the right of religious liberty and the right of free association in political, trade union and benevolent activities. He said: "These certain fundamental basic rights of the individual which make the difference between what we will call free Europe and the iron-curtain countries—these rights do not exist in Spain and the Spanish people are prevented from enjoying them by action of the Spanish government." In his latest statement on Spain, Secretary Acheson explained why Spain under Franco was not an acceptable ally for the Western alliance. He said the alliance "is not merely a negative reaction to communism. It is,

rather, a positive program to support and to strengthen democratic freedoms, politically, economically and militarily. In that context, the participation of the present Spanish government, unless and until there has been some indication of evolution toward more democratic government in Spain, would weaken rather than strengthen the collective effort to safeguard and strengthen democracy."

We Are Lending Money to Tito's Dictatorship in Yugoslavia—Why Not Money to Franco Spain? By helping Tito we are hurting Russia. Tito is showing Communists that they do not need to obey Moscow. If we helped Franco Spain, we would hurt nobody but ourselves and the Spanish people. We would lose friends and influence throughout the democratic world. We would, therefore, help Russia.

We Recognize Russia, Why Not Recognize Franco Spain? We *do* recognize Franco Spain. We have an embassy and consulates in Spain. We do not have an ambassador in Spain because, in 1946, the United Nations Assembly passed a resolution asking its members to withdraw their chiefs of mission from Spain until the Franco government is changed. That resolution is still on the books of the U. N. and, as long as we are members of the U. N., we are bound by it until it is removed from the record.

What Happens If the U. N. Ban Is Lifted? First, the U. S. will be free to send an ambassador to Franco. This, in itself, might not be so important if it were not for the fact that Franco thereby gains prestige. In addition, another part of the U. N.

resolution bans Franco from membership in the specialized agencies of the U. N. If this ban is removed, Franco will be in a position to seek membership in, and assistance from, such organizations as the World Bank, the International Monetary Fund, and the Food and Agriculture Organization. Franco wants U. S. support to get dollar loans and other assistance; that is his real objective.

Is the United Nations Resolution the Only Reason We Should Not Help Franco? No, indeed. There are lots of other reasons—economic, military and political.

What Are the Economic Objections? For one thing, apart from all other considerations, Franco is a bad risk. His government is riddled with corruption which has sapped the country's economic strength. Farm production in Spain for the years from 1940 through 1948 has averaged only 65 percent of farm production averages from 1930 through 1935. Industrial activity in Spain, according to the Foreign Policy Association, is below the levels of the years 1922-26. National income has declined steadily under Franco. According to the Franco government's own figures, based on official prices, the cost of living in Spain is about six times as high as in 1936, but the workers' take-home pay has only doubled. The government's budget takes about 26 percent of income, and, in addition, estimates of the amount of national income absorbed by official graft and corruption range from 10 to 15 percent. Thus, the government's total drain on national income comes close to 40 percent. Franco Spain is a poor risk for a loan.

Is Franco Getting Dollar Loans From Private Bankers? Yes, he obtained one private loan last year. The Chase National Bank loaned him $25,000,000, but only after the Franco government had deposited more than $25,000,000 worth of gold in London as collateral to cover not only the principal but also the interest. Franco could have sold the gold, of course, but he preferred to make a loan with an American bank, hoping that the terms would remain secret and that it would improve his chances of getting other loans. But no bankers so far have been willing to lend him dollars without 100 percent collateral.

Is There a Ban on Private Loans to Franco? No, but he can't find a banker willing to take the risk. That is why he wants a U. S. Government loan.

Isn't Franco Spain Making Any Money in Trade? No. Under Franco, Spain has a growing trade deficit with the rest of the world. In 1948 the deficit was $68,000,000; final figures for 1949 will probably show a larger deficit.

Is the U. S. Losing Its Trade With Spain to Other Countries? On the contrary, the U.S. is buying a greater portion of Spain's total exports than usual. The total volume, of course, is smaller. In 1934, the United States bought less than 9 percent of Spain's exports, Britain bought 23 percent, France bought 11 percent and 4 percent of Spain's exports went to her colonies. In 1948, the U. S. share of Spanish exports was up to 9.5 percent while Britain bought only 14 percent of the total and the French share of Spanish exports

was down to 3½ percent. And Spain now is forced to sell 26 percent of her exports to her colonies.

What About U. S. Sales to Spain? Spanish purchases in the U. S. have been limited to what she can finance from current earnings. This means that U. S. sales to Spain are about half what they were in 1947, but the same drop has occurred in British and French sales to Spain.

What Raw Materials or Goods Do We Need From Spain That We Cannot Get From Friendly Countries? None. Cork, olives, mercury, in fact all the things which Spain sells to the U. S., now can be bought at about the same price or cheaper elsewhere.

Have Other Countries Given Spain Loans or Credits? Yes. Franco has been friendly in the past with President Juan Peron of Argentina. Not long ago Argentina gave Spain the biggest loan and credit in Argentine history, but recently Argentina has refused to make deliveries to Spain until the Spanish government catches up on deliveries to Argentina, now hundreds of millions of dollars in arrears. Some other countries, notably Britain, have granted trade credits to Franco Spain, but all these are tied to the delivery of Spanish goods on trade account, year by year. Franco has not been able to get the kind of loans he needs to keep his government going.

Is He Counting on a U. S. Loan? He certainly is. Spanish businessmen and bankers who once supported Franco because he enabled them to make big profits now are anxious to get him out of office.

A lot of them feel that Spain will not be able to borrow the money it needs as long as Franco is in power. But Franco tells them to wait—he says he can get American aid in time to shore up his government.

Won't U. S. Help to Franco Feed Hungry Spaniards? Very little American aid would reach poor Spaniards if handed over to the Franco government. Franco Spain made a lot of money during the World War and Franco's friends made big fortunes, but the standard of living of the Spanish worker became progressively worse, not better. The Associated Press reported from Madrid on February 21, 1949, that economic conditions for the working man in Madrid were "the toughest in Europe, not excepting the countries behind the Iron Curtain." Under Franco, Spain is a rich man's country. If we want to get American food to hungry Spaniards it can be done only by having an American organization—like CARE or the American Friends Service Committee (Quaker)—distribute the food directly to the Spaniards who need it, not to the Falange Party.

What About the Military Considerations—Doesn't Franco Have a Big Army? Yes, but it's the kind of army designed to run a police state, not an army that could fight abroad. There are about 300,000 men in the Spanish Army, with an ill-assorted collection of Nazi German and Fascist Italian arms sent to Franco by his allies during the Spanish Civil War. The Spanish Air Force has 4,400 officers and 35,000 enlisted men, but only 350 aircraft of German and Italian origin, most of them obsolete. In the Spanish Navy there are five cruisers and about 70 other craft. All the warships lack radar and fire control equipment. Franco hasn't much to show for the $5,400,000,000 he has spent on the armed forces since

1939—much of the money went down the rathole of military graft.

Wouldn't Spaniards Be Useful in a War Between the West and Russia? Perhaps, if the United States spent about $1,000,000,000 in Spain rebuilding the country's roads and railroads and arming Spanish soldiers. But it must be remembered that most of the Spanish people fought against Franco, not for him, in the civil war. That civil war ended 10 years ago, but it still isn't safe to travel through the mountain regions of Spain at night.

Is the Spanish Underground Opposing Franco Really Strong? In numbers, yes; in military strength, no. Ten years of a police state dictatorship with thousands of executions and hundreds of thousands kept in prisons for a good part of that time have discouraged active opposition to Franco. But if there were war between the West and Russia, and if the U. S. tried to use Spain and Franco as an ally, hundreds of thousands of Spaniards would prefer to fight against Franco than for him. Don't forget the German experience in Yugoslavia during the Second World War—they tried to use an unpopular dictatorship as an ally and they spent a lot of their strength in Yugoslavia fighting off guerrillas. In a war under Franco there would be plenty of guerrillas in Spain.

Wouldn't Spain Provide Useful Air Bases Against a Russian Invasion of Western Europe? Air bases in friendly countries like Norway, the British Isles, North Africa and Turkey are closer to the targets our aviation would want to reach. If the

Russians smashed through the Western European defenses from the Rhine and the Po to the Pyrenees they wouldn't be likely to stop there. What is more, the people at both ends of the Pyrenees, the strongly anti-Communist Basques and Catalans, fought Franco in the civil war.

If We Didn't Help Franco, Would He Join the Russians? No. Don't forget that Franco did everything he could short of war to help Nazi Germany and Fascist Italy beat the United Nations, including Russia. If he couldn't stay neutral in a war he would want to be on our side because he has no place else to go.

Won't the Communists Take Over in Spain If Franco Goes? No. The Spanish Communist Party is very weak in Spain and has always been weak save during the civil war when Russia alone sent help to the Spanish Republic after Germany and Italy helped Franco. There is little or no Communist influence in the Spanish underground today, although Franco, of course, calls all his enemies in Spain "Communists." The only chance the Communists have in Spain is that the U. S. will make an alliance with Franco, thus showing Spaniards that they can get rid of Franco only by joining the Communists.

Is the Opposition to Franco in Spain Anti-Catholic? Not at all. Almost all Spaniards are Catholics, including Franco's opponents inside Spain—among them the Basques, many of whose priests were jailed by Franco after the civil war. The strongest alliance against Franco, an alliance of monarchists and democratic parties, is composed predominantly of Catholics.

What About the Catholics Outside Spain, How Do They Feel About Franco? Almost all of the Catholic political parties which support the anti-Communist governments of Western Europe have condemned the Franco government. For example, Gaston Tessier, president both of the International Confederation of Christian Unions and the French Confederation, its largest affiliate, said recently: "Since its foundation in 1919, the International Confederation of Christian Trade Unions has always opposed all forms of dictatorship, whether those of Hitler, Stalin, Mussolini, or Franco." A Catholic priest, Father Cary-Elwes, said in the London *Spectator,* Oct. 7, 1949: "If we help Franco we support a dictator and so increase the chance of communism after him."

How Does Labor as a Whole Feel About Franco? The best answer to that is to quote from a resolution of the recent Congress of the International Confederation of Free Trade Unions—the anti-Communist unions of the world including the CIO and AFL. This Congress unanimously passed a resolution urging that Franco Spain not be included as a partner of the democracies of the world and added: "This Congress goes on record as opposing the granting of any assistance to Spain until such time as democracy and full trade union rights have been restored and the workers are once more able to make their contribution to the country's recovery."

Are the Russians Trying to Keep Us From Making Friends With Franco? No. On the contrary, the Russians are doing everything they can to make the rest of the world think we already are allied with Franco. Radio Moscow talks about this

almost every day in radio broadcasts to Western Europe in every language. For example, on September 28, 1949, Radio Moscow said: "In exchange for the complete handing over of Spain, Franco is granted the help of U. S. imperialism so as to avoid the complete collapse of his tyranny. This is nothing new. It is the direction taken by U. S. postwar policy, directed to protecting the fascist and anti-democratic regimes throughout the world." That's the Moscow line. In the U. N., the Russians and their satellites frequently make the most extreme proposals on Spain with the sole purpose of forcing the United States and the other democracies to vote against them—thus appearing to be for Franco. You can see how pleased these propagandists would be if we really did line up with Franco.

Why Do the Russians Want to Show We Are Friendly With Franco? In order to break up the alliance between the United States and the democratic forces of Western Europe.

Why Do Western Europeans Dislike Franco? Again, Secretary Acheson gave the best answer to that question when he said recently: "The Franco government was one which was established with the active support, and only with the active support, of Hitler and Mussolini. A government was established in Spain which was patterned on the regimes in Italy and in Germany and was, and is, a fascist government and a dictatorship." Western Europeans who live next door to Spain feel very strongly about Franco; their governments even asked that Franco be specifically banned from membership in the United Nations as long as the Franco government remains in power.

Do the Latin Americans Like Franco? Some of them, yes; notably the Latin American dictators. If these totalitarian "strong men" are able to claim that the United States, by helping Franco, has gone over to their side, the democratic forces in Latin America would suffer a devastating blow and the prestige of American democracy would sink to its lowest level. An example of the anti-Franco feeling in Latin America was the strong resolution unanimously adopted last September at the Havana Convention of the Inter-American Confederation of Workers representing strong pro-democratic and anti-Communist labor in all Latin American countries.

Is There Really a Chance That Franco Will Be Forced Out Soon? Yes, there is. He is running out of money and his own allies are deserting him. Both big business and the army in Spain want to halt the steady deterioration of the Spanish economy and they see no chance of doing it as long as Franco remains in power. Without such support, Franco can't last much longer—unless, of course, he is kept going by U. S. loans. That is why he is so anxious to get U. S. help now.

Who Will Succeed Franco If He Goes? In Spain, all parties to the alliance of the major political groups opposing Franco want a plebiscite to determine what kind of regime will follow. It may be a republican government; it may be a constitutional monarchy. Alternatives to a police state are not easy to see while the dictatorship is in power—the present democratic leaders of Germany and Italy were unknown when Hitler and Mussolini ruled. Like the Spanish monarchy in 1931, the

Franco regime may end without bloodshed, provided, of course, that it is not kept in power indefinitely through American aid.

So Franco's Only Hope of Staying in Power Is Help From the United States? Yes, that's about it. His representatives are in Washington now, looking for a loan or any other help they can get from Congress or any U. S. Government agency.

Who Is Franco's Chief Lobbyist for American Aid? Jose Felix de Lequerica, technically known as "Inspector of Embassies." He spends much time in Washington, where only a few people know that he once gave the Japanese diplomats at Vichy, France, a banquet to celebrate the Japanese capture of Manila from U. S. forces in 1942.

Speaking of Manila, What Did Franco Think of the Japanese Puppet Government There? On the establishment of the Quisling government there in October 1943, Franco's Foreign Minister, Count Jordana, sent "Most sincere sentiments . . . from the Spanish people" to the puppet president, Jose Laurel.

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If We Embrace Franco—

What Use Could the Communists Make of This Picture?

Lest We Forget—

Said Franco to Hitler:

(On Hitler's fourth anniversary in power, January 30, 1937). "Fervent wishes that the great German people advance under the glorious emblem of the swastika. Heil Hitler!"

(On the occasion of Hitler's annexation of Austria, March 23, 1938). "Greetings from the Spanish nation in this solemn hour."

(On the occasion of Hitler's conquest of Czechoslovakia, October 2, 1938). "Cordial congratulations."